

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

JONATHAN H. PARDEE, et al.,

Plaintiffs,

v.

CONSUMER PORTFOLIO SERVICES, INC.,

Defendant.

C.A. No. 01-594L

**PLAINTIFFS, JONATHAN H. PARDEE, AND JONATHAN H. PARDEE CHARITABLE
TRUST'S ANSWER TO THE DEFENDANT'S THIRD AMENDED COUNTERCLAIM**

Now come the plaintiffs Jonathan H. Pardee and Jonathan H. Pardee Charitable
Remainder Trust and answer the defendant's third amended counterclaim as follows:

Introduction

1. Deny.

Parties

2. Admit.
3. Admit.
4. Admit.
5. Admit.
6. Admit.

The Sale of SSTAI

7. Admit.
8. Deny.
9. Deny.
10. Deny.

11. Deny.

12. Deny.

13. Deny.

14. Deny.

The Structured Settlement Litigation and Other Lawsuits

15. Admit

16. Deny.

17. Deny.

18. Deny.

19. Admitted that Exhibit C has allegations in Paragraph Nos. 56 & 58 but these counterclaim defendants deny the substance of those allegations and also deny that this Paragraph (No. 19) accurately summarizes those allegations.

20. Admitted that Exhibit C has allegations in Paragraph Nos. 56 & 58 but these counterclaim defendants deny the substance of those allegations and also deny that this Paragraph (No. 20) accurately summarizes those allegations.

21. Admitted that Exhibit C has allegations in Paragraph Nos. 56 & 58 but these counterclaim defendants deny the substance of those allegations and also deny that this Paragraph (No. 21) accurately summarizes those allegations.

22. Deny.

23. Admitted that Exhibit C has allegations in Paragraph Nos. 56 & 58 but these counterclaim defendants deny the substance of those allegations and also deny that this Paragraph (No. 23) accurately summarizes those allegations.

24. Admitted that Exhibit C has allegations in Paragraph Nos. 56 & 58 but these counterclaim defendants deny the substance of those allegations and also deny that this Paragraph (No. 24) accurately summarizes those allegations.

25. Admitted that Exhibit C has allegations in Paragraph Nos. 56 & 58 but these counterclaim defendants deny the substance of those allegations and also deny that this Paragraph (No. 25) accurately summarizes those allegations.

26. Admitted that Exhibit C has allegations in Paragraph Nos. 56 & 58 but these counterclaim defendants deny the substance of those allegations and also deny that this Paragraph (No. 26) accurately summarizes those allegations.

27. Admitted that Exhibit C has allegations in Paragraph Nos. 56 & 58 but these counterclaim defendants deny the substance of those allegations and also deny that this Paragraph (No. 27) accurately summarizes those allegations.

28. Admitted that Exhibit C has allegations in Paragraph Nos. 56 & 58 but these counterclaim defendants deny the substance of those allegations and also deny that this Paragraph (No. 28) accurately summarizes those allegations.

29. Deny.

30. Deny.

31. Deny.

32. Deny.

Count I

33. Deny.

34. Deny.

35. Deny.

36. Deny.

Count II

37. Deny.

38. Deny.

39. Deny.

40. Deny.

41. Deny.

42. Deny.

43. Deny.

Count III

44. Deny.

45. No response – said paragraph quotes from the Stock Purchase Agreement and said document speaks for itself.

46. Deny.

47. Deny.

48. Deny.

Count IV

49. Deny.

50. Deny.

51. Deny.

52. Deny.

53. Deny.

Count V

54. Deny.

55. Deny.

56. Deny.

Count VI

57. Deny.

58. Deny.

59. Deny.

60. Deny.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Defendant's counterclaims for equitable relief are barred by unclean hands.

SECOND AFFIRMATIVE DEFENSE

Defendant's counterclaims are barred by their own misconduct.

THIRD AFFIRMATIVE DEFENSE

Defendant's counterclaims are barred, in whole or in part, by the applicable statutes of limitations, including, without limitation, limitations on actions established by contract.

FOURTH AFFIRMATIVE DEFENSE

Defendant's counterclaims are barred, in whole or in part, by the doctrines of waiver, estoppel and/or laches, as well as contractual terms.

Plaintiffs demand trial by jury on the defendant's counter-claim.

Plaintiffs,
By their attorney,

/s/ Marc DeSisto

Marc DeSisto (#2575)
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Plaintiffs,
By their attorney,

/s/ Rene P. Tatro

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CERTIFICATION OF SERVICE

I hereby certify that a copy of the within was filed electronically on February 1, 2012 and is available for viewing and downloading from the ECF system and that the counsel of record listed below will receive notice via the ECF system:

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I hereby certify that a true and accurate copy of the within document was mailed, postage prepaid on this 1st day of February, 2012, to:

Ogden H. Sutro and the
Dunbar/Wheeler Trust
c/o Jonathan M. Wainright, Esq.
Cadwalader Wickersham & Taft
One World Financial Center
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/s/ Marc DeSisto, Esq.